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FEDERAL COMMUNICATIONS COMMISSION

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Janis A. Stahlhut **Executive Director-**Federal Regulatory

**EX PARTE** 

April 27, 1993

Ms. Donna R. Searcy Secretary Federal Communications Commission 1919 M Street, NW, Room 222 Stop Code 1170 Washington, DC 20554

Subject:

CC Docket No. 92-222

Dear Ms. Searcy:

In accordance with the Commission's ex parte rules, this is to inform you that on April 26, 1993, Mr. Glenn Brown and I met with Ms. Linda Oliver of Commissioner Duggan's office to discuss issues presented in the abovereferenced docket. The attached handouts were used to facilitate the discussion. Please include a copy of this letter and the attachments in the record in this proceeding.

Acknowledgment and date of receipt of this transmittal are requested. A duplicate letter is attached for this purpose.

Sincerely,

**Attachments** 

cc:

Ms. Kathleen Levitz

Mr. Jim Schlichting Ms. Cheryl Tritt Mr. Greg Vogt

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# U S WEST EX PARTE PRESENTATION CC DOCKETS 91-141/92-222

# **GENERAL SUPPORT FACILITIES**

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- · In CC Docket 92-222, the Commission sought comment on its proposal to modify its Part 69 rules to include Subscriber Line Investment in the GSF allocator
- The Commission's proposal received overwhelming support from every segment of the industry, including 24 of the 25 parties who addressed the issue in their December 4, 1992 comments and December 21, 1992 reply comments:

#### **Local Exchange Carriers**

- Ameritech
- Bell Atlantic
- BellSouth
- Cincinnati
- GTE
- NECA
- NTCA
- NRTA
- NYNEX
- Pacific
- Rochester
- Southern New England Telephone
- Southwestern Bell
- United
- USTA
- USWEST

#### **Interexchange Carriers**

- AT&T
- MCI
- Sprint
- WilTel

#### **Competitive Access Providers**

- MFS
- Teleport

#### **Others**

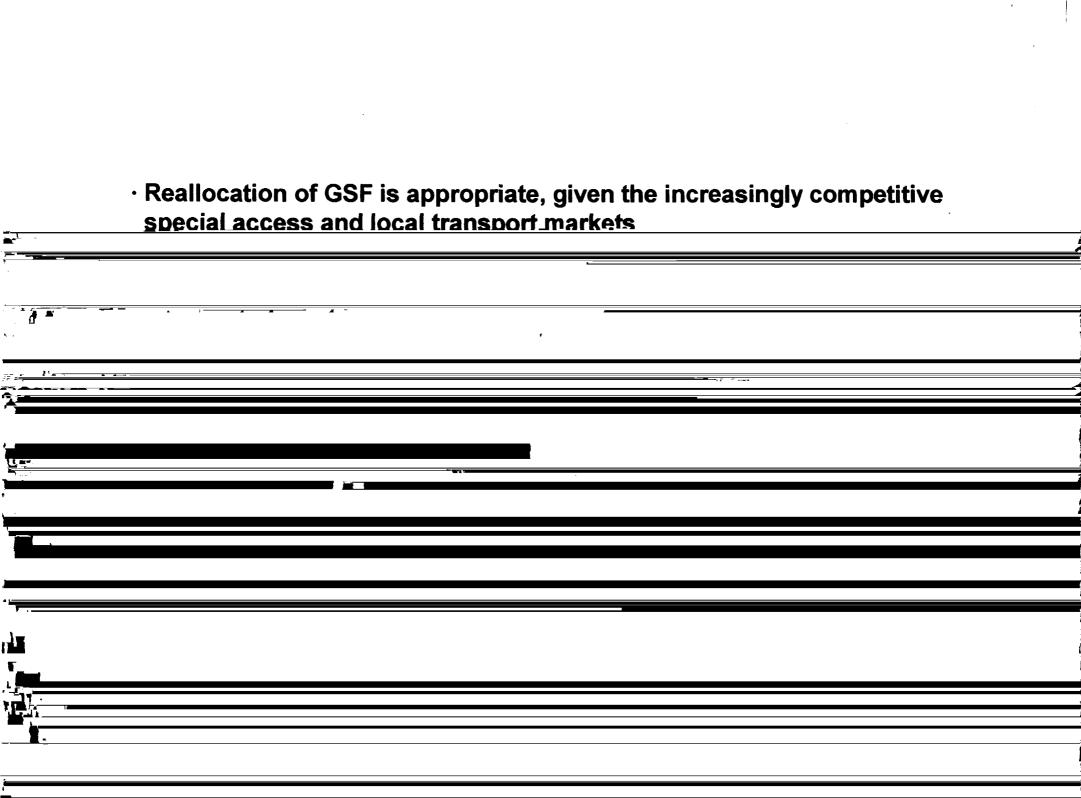
- General Services Administration
- John Staaurulakis, Inc.

- · Reallocation of GSF Costs appropriately shifts support flows from Special Access, Local Transport and Local Switching:
- · Removes GSF overallocations from the following Part 69 Categories:

-Special Access	\$23 million	-11.8%
- Local Transport	\$68 million	-12.2%
- Local Switching	\$33 million	-9.2%

- · Adds an appropriate allocation of GSF to the following Part 69 Category
  - Common Line

\$124 million +15.5%



- · Reallocation of GSF is appropriate, given the increasingly competitive special access and local transport markets
  - -CAP networks are in operation or are under construction in key markets in the U S WEST region:

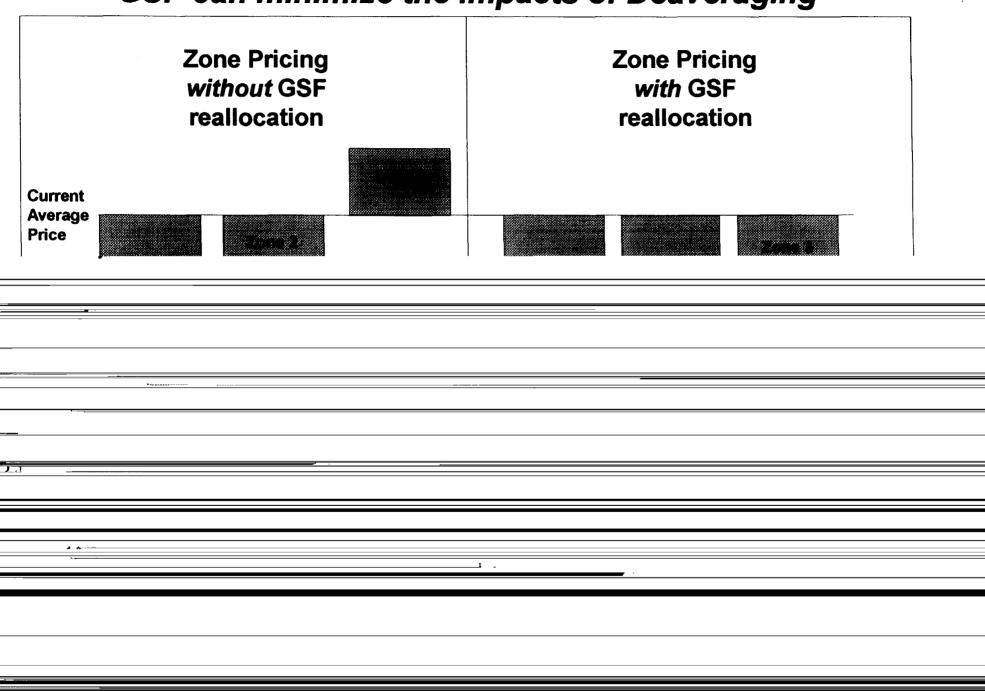
Des Moines	MWR Telecom 72 mile backbone
Denver	Teleport Denver115 mile backbone
	Jones Lightwave* under construction
<b>Minneapolis</b>	MFS 3.5 mile backbone
Omaha	Teleport** 52 mile ring under construction
Phoenix	Teleport** 42 mile ring under construction
<b>Portland</b>	ELI 152 mile ring
Salt Lake City	ELI under construction
Seattle	DDI*** 65 mile ring
	ELI 108 mile ring

Owned by Jones International (also owns Jones Cable)

<sup>\*\*</sup> Owned by Cox Cable

<sup>\*\*\*</sup> Wholly owned by TCI

# GSF can minimize the impacts of Deaveraging



### **COMMON LINE CHARGES** Impact of GSF Reallocation

State	Residence and Single Line Business			Multi-line Business		
	Annual Filing	With GSF		Annual Filing	With GSF	
Arizona	\$3.50	\$3.50	0.0%	<b>\$</b> 5.90	\$6.00	1.5%
Colorado	3.50	3.50	0.0%	4.96	6.00	21.0%
Idaho(Boise)	3.50	3.50	0.0%	5.08	5.60	10.2%
Idaho(Spokane)	3.50	3.50	0.0%	5.80	6.00	3.4%
lowa	3.26	3.50	7.4%	3.26	3.76	15.3%
Minnesota	3.50	3.50	0.0%	3.78	4.40	16.4%
Nebraska	3.50	3.50	0.0%	3.70	4.07	10.0%
Montana	3.50	3.50	0.0%	`5.51	6.00	8.9%
New Mexico	3.50	3.50	0.0%	5.94	6.00	1.0%
North Dakota	3.50	3.50	0.0%	6.00	6.00	0.0%
Oregon	3.50	3.50	0.0%	5.16	5.93	14.9%
South Dakota	3.50	3.50	0.0%	4.73	5.49	16.1%
Utah	3.50	3.50	0.0%	4.55	5.30	16.5%
Washington	3.50	3.50	0.0%	4.69	5.27	12.4%
Wyoming	3.50	3.50	0.0%	6.00	6.00	0.0%
Average	3.48	3.50	0.6%	5.00	5.45	9.0%

Carrier Common Line 1993 Annual Filing 0.42 cents per minute

**After GSF Reallocation** 0.68 cents per minute

## Recommendation

- The Commission should complete CC Docket 92-222 by releasing an Order permitting LECs to reallocate GSF expenses.
- Order should be released prior to the May 17, 1993 effectiveness of